

Skuld P&I Club Luncheon

Quality Shipping

June 11, 1999

INTRO

GOOD MORNING.

IT IS INDEED A PLEASURE AND HONOR TO SPEAK TO ALL OF YOU TODAY. MY THANKS TO BILL MONSON, MR. POULSSON AND SKULD FOR INVITING ME. AND MY THANKS TO SKULD FOR GUEST LECTURERS AT RTC.

WASHINGTON, DC HAS BEEN DESCRIBED AS 36 SQUARE MILES OF BUREAUCRACY SURROUNDED BY REALITY – SO ITS GOOD TO BE OUT HERE IN THE WORLD OF REALITY TO HEAR YOUR VIEWS.

I LAST SPOKE TO A SKULD GATHERING IN OSLO ABOUT 2 YEARS AGO WHEN SKULD CELEBRATED ITS 100TH ANNIVERSARY. I WAS A MEMBER OF A PANEL, CHAIRED BY HELEN BENTLEY, ADDRESSING THE UPCOMING IMPLEMENTATION OF THE ISM CODE.

I'M PLEASED TO ADDRESS YOU AGAIN AND IN MY REMARKS WILL CONTRAST WHAT HAS BEEN OUR EXPERIENCE WITH ISM COMPARED TO THE CONCERNS EXPRESSED IN THAT PANEL 2 YEARS AGO. I'LL TALK ABOUT THAT IN THE LARGER CONTEXT OF QUALITY SHIPPING, INCLUDING SOME THOUGHTS ABOUT PORT STATE CONTROL, EMERGING ENVIRONMENTAL CHALLENGES, MEANS TO DEAL WITH IT ALL – AND OF COURSE NO SPEECH TODAY WOULD BE COMPLETE WITHOUT SOME REFERENCE TO Y2K.

QUALITY

THE WORD “QUALITY” IS BECOMING VERY COMMON IN TODAY’S WORLD IN DESCRIBING WHAT SHIPPING SHOULD BE. EVERYONE TALKS ABOUT “QUALITY” SHIPPING BUT WHAT ARE WE DOING TO MAKE IT A REALITY?

WELL, THERE ARE MANY ACTIVITIES UNDERWAY WORLDWIDE TO ADDRESS QUALITY. JUST THREE WEEKS AGO I WAS AT BIMCO’S GENERAL MEETING WHERE THE OPENING PLENARY SESSION AND AN EXPERT PANEL DEALT WITH QUALITY SHIPPING. AND IN A WEEK AND A HALF, THE MARE FORUM WILL CONVENE IN AMSTERDAM TO DISCUSS QUALITY. MANY OF US WILL BE THERE, AND I WILL ACCOMPANY TWO MEMBERS OF THE U.S. CONGRESS – CHAIRMAN WAYNE GILCHREST OF THE CG & MARINE TRANSPORTATION SUBCOMMITTEE AND PETER DEFAZIO, THE RANKING MEMBER.

IMO HAS BEEN, AND IS, WORKING AGGRESSIVELY ALONG WITH
FLAG AND PORT STATES AND VARIOUS INTERNATIONAL PORT
STATE MOU'S TO MOVE THE CONCEPT OF QUALITY SHIPPING
FORWARD.

WELL, HOW ARE THINGS GOING? WHAT HAS BEEN OUR COLLECTIVE
PROGRESS? WHERE ARE THE GAPS? WHAT NEEDS TO BE
EMPHASIZED NOW? WHAT ARE OUR "BEST INVESTMENTS" TO
MAKE IMPROVEMENTS IN SHIPPING QUALITY?

TO ADDRESS THOSE QUESTIONS I WILL GIVE YOU A U.S.
PERSPECTIVE ON WHAT WE EXPECT OF U.S. OWNERS AND
INTERNATIONAL SHIPPING CALLING IN U.S. PORTS, WHAT WE
SEE HAPPENING TODAY, AND WHAT WE SEE AS IMPORTANT
STEPS FOR THE FUTURE.

WELL, WHAT DO WE EXPECT OF VESSELS THAT CALL IN THE U.S.?
VERY SIMPLY – FULL COMPLIANCE WITH INTERNATIONAL
CONVENTIONS AND SPECIFIC U.S. REQUIREMENTS FOR
NAVIGATION SAFETY AND MARINE ENVIRONMENTAL
PROTECTION.

WHAT ARE WE IN THE U.S. SEEING AND EXPERIENCING? OUR PORT
STATE CONTROL EXPERIENCE AND OUR EXPERIENCE AT IMO
AND WITH OUR VARIOUS PARTNERSHIPS PROVIDES, I BELIEVE,
A WINDOW ON WHAT IS HAPPENING.

PORT STATE CONTROL

OUR EFFORTS IN PORT STATE CONTROL IN THE U.S. HAVE SHOWN SHORT TERM SUCCESSES WHICH WE HOPE WILL BECOME LONG TERM TRENDS. FOR EXAMPLE:

- IN 1998, 36% OF THOSE VESSELS DETAINED IN 1997 DID NOT RETURN, AND OF THOSE THAT DID RETURN ONLY 14% WERE DETAINED AGAIN.
- AND IN 1998, WE HAD 373 DETENTIONS, A 32% DECLINE IN OVERALL DETENTIONS FROM 1997 FIGURES AND THE FIRST TIME SINCE 1994 THAT IT FELL BELOW 400. WHEN YOU CONSIDER THAT ISM & STCW HAVE BEEN ADDED TO PORT STATE CONTROL AS REASONS FOR DETENTION THAT FIGURE IS EVEN MORE SIGNIFICANT.
- IN 1997, 23% OF VESSEL DETENTIONS WERE ATTRIBUTABLE TO CLASSIFICATION DEFICIENCIES. IN 1998, THAT FIGURE DROPPED TO 14%.
- OUR PORT STATE CONTROL PROGRAM IS TARGETED TOWARD HIGHER RISK VESSELS. OUR WORK HAS BEEN TO IDENTIFY SUBSTANDARD VESSELS FOR A CLOSER LOOK. WE NOW ARE CONSIDERING HOW TO IDENTIFY “QUALITY” VESSELS AND PROVIDE INCENTIVES FOR QUALITY.

ISM

ISM AND STCW 95 ARE TWO ENORMOUSLY SIGNIFICANT EFFORTS TOWARD QUALITY MANAGEMENT AND QUALITY MARINERS – TWO THINGS ESSENTIAL FOR QUALITY SHIPPING.

BACK IN MAY 1995 AT THE ISM PANEL IN OSLO THERE WERE MANY CONCERNS EXPRESSED OVER ISM COMPLIANCE – HOW WOULD INDUSTRY, PORT STATES, FLAG STATES, CLASS AND P&I CLUBS RESPOND? WOULD DETAINED VESSELS STACK UP IN PORTS AROUND THE WORLD? WOULD SIGNIFICANT LEVEL OF NON-COMPLIANCE CAUSE THE WHOLE CONCEPT TO COLLAPSE?

WHAT I HEARD IN OSLO AS A PANEL MEMBER AND IN OTHER DISCUSSIONS THERE ABOUT ISM WAS OF SIGNIFICANT VALUE IN THE FORMULATION OF THE U.S. POSITION FOR ISM COMPLIANCE BEGINNING 1 JULY 1998 – NO CERTIFICATES, NO ENTRY – NO EXCEPTIONS.

WE HAVE ONLY JUST BEGUN WITH ISM AND STCW BUT I BELIEVE WE ARE EXPERIENCING A GOOD BEGINNING. ISM COMPLIANCE AND ENFORCEMENT HAVE BECOME A MEANS TO IMPROVE SAFETY MANAGEMENT TO REACH THE ROOT OF DEFICIENCIES IN SOLAS AND MARPOL.

BEFORE ISM, DEFICIENCIES IN SOLAS AND MARPOL WERE SIMPLY CORRECTED AND VESSELS ALLOWED TO PROCEED. NOW, WE DIG INTO THE MANAGEMENT PROCESSES OR SYSTEM DEFICIENCIES THAT ALLOWED MATERIAL DEFICIENCIES TO OCCUR, AND WE ENSURE THAT THOSE ROOT CAUSES ARE CORRECTED, SO THAT MATERIAL DEFICIENCIES ARE LESS LIKELY TO OCCUR.

WE HAVE NOT YET HAD TO TURN ANY SHIP AWAY FROM THE UNITED STATES BECAUSE OF NOT BEING IN COMPLIANCE WITH THE ISM CODE, AND DETENTIONS, SO FAR, HAVE BEEN MINIMAL - ON THE ORDER OF 16 FOR ISM VIOLATIONS, OF WHICH 5 VESSELS WERE ORDERED OUT OF PORT. IN ADDITION, ALL U.S. FLAG SHIPS ARE CERTIFIED THAT REQUIRED CERTIFICATION.

SOME THE KEY REASONS FOR THE GOOD RESULTS HAVE BEEN THE EXTENSIVE WORLDWIDE EDUCATIONAL CAMPAIGN BY IMO AND MANY PORT AND FLAG STATES AND LEADERSHIP SHOWN BY RESPONSIBLE OWNERS AND ORGANIZATIONS SUCH AS BIMCO, INTERTANKO, API, AND OTHERS IN PROMOTING AND PREPARING FOR ISM IMPLEMENTATION AND COMPLYING WITH IT.

WHAT'S IMPORTANT TO ADDRESS AS WE MOVE INTO THE FUTURE?

WE BELIEVE THE FUTURE IS BASED ON CONTINUING TO AGGRESSIVELY IMPLEMENT EXISTING INTERNATIONAL CONVENTIONS AND AGREEMENTS AND IN PARTNERING FOR IMPROVED QUALITY. THERE ARE ENOUGH INTERNATIONAL REQUIREMENTS TO DEAL WITH SAFETY AND ENVIRONMENTAL PROTECTION RISKS - IN EXISTENCE OR IN PROGRESS. WHAT IS NEEDED IS FULL AND COMPLETE IMPLEMENTATION BY FLAG STATES, FULL AND COMPLETE ASSUMPTION OF RESPONSIBILITY BY OWNERS AND FULL RECOGNITION ON THE

PART OF CHARTERERS, BROKERS, SHIPPERS, P&I AND OTHERS,
THAT, IN THE LONG RUN, QUALITY PAYS.

PARTNERING FOR QUALITY BETWEEN FLAG AND PORT STATE
ADMINISTRATIONS AND INDUSTRY IS A KEY ELEMENT OF OUR
CURRENT PROGRAMS AND IS GROWING IN IMPORTANCE.

THE U.S. HAS FORMAL QUALITY PARTNERSHIPS WITH NINE
MARITIME INDUSTRY ORGANIZATIONS – AWO, APA, API, CSA,
BIMCO, SCAA/APICOM, INTERTANKO, ICCL AND PVA. THE
PURPOSE OF THOSE PARTNERSHIPS IS TO WORK MORE CLOSELY
TOGETHER TO IMPROVE MARITIME SAFETY AND PROTECTION
OF THE ENVIRONMENT THROUGH NON-REGULATORY
SOLUTIONS.

THESE PARTNERSHIPS HAVE ALREADY YIELDED POSITIVE NON-
REGULATORY POLLUTION PREVENTION ACTION.

EXAMPLES:

- AN ANALYSIS ON THE CAUSES OF SPILLS ASSOCIATED WITH TANK
BARGE CARGO TRANSFERS AND APPLYING THE RESULTS TO
REDUCE SPILLS DURING THESE EVOLUTIONS;
- DEVELOPMENT OF A PROGRAM TARGETING THE HUMAN
ELEMENT IN REDUCING PERSONNEL CASUALTIES ABOARD TUG
AND BARGES;

- AND A RISK GUIDE PROVIDING U.S. DOMESTIC PASSENGER VESSEL OWNERS AND OPERATORS WITH A TOOL FOR BETTER ASSESSING AND MANAGING RISKS INHERENT IN THEIR OPERATIONS AND AVOID ACCIDENTS.

AND, THESE PARTNERSHIPS ARE MAKING PROGRESS ON OTHER FRONTS:

- DEVELOPING A NEAR MISS REPORTING SYSTEM – NOW KNOWN AS THE INTERNATIONAL MARITIME INFORMATION SAFETY SYSTEM, OR IMISS;
- SMOOTH TRANSITION AND IMPLEMENTATION OF THE ISM CODE EFFECTIVE JULY 1, 2002 FOR FREIGHT VESSELS;
- AND, MOST RECENTLY, BALLAST WATER MANAGEMENT TO COMBAT AQUATIC NUISANCE SPECIES.

IMISS

UNDER THE UMBRELLA OF RISK BASED DECISION-MAKING IS OUR DEVELOPMENT OF AN INTERNATIONAL MARITIME INFORMATION SAFETY SYSTEM (IMISS). MANY MORE NEAR-MISSES OCCUR THAN ACTUAL CASUALTIES AND THE INFORMATION FROM THOSE WILL HELP US BETTER ASSESS RISK AND BETTER FOCUS PREVENTION EFFORTS.

THE KEY TO THIS SYSTEM IS VOLUNTARY, CONFIDENTIAL REPORTING TO A NON-REGULATORY THIRD PARTY – A COMMERCIAL VENDOR - WHO WILL KEEP ONLY THE SAFETY ASPECTS OF THE REPORT AND DE-IDENTIFY ANY INFORMATION POINTING TO THE REPORTING SOURCE OR OTHER ENTITIES INVOLVED. THE DE-IDENTIFIED VERSION WILL BE ENTERED IN A DATABASE FOR ACCESS BY INDUSTRY, GOVERNMENT, AND OTHER MEMBERS OF THE MARITIME COMMUNITY.

THE RESULTING DATA WILL PROVIDE INDUSTRY STAKEHOLDERS WITH CRITICAL INFORMATION THAT THEY CAN INJECT INTO THEIR OPERATIONS TO PROACTIVELY COUNTER CAUSAL FACTORS.

THE CRUCIAL ASPECT OF THIS PROGRAM IS PROTECTION OF THE MARITIME INFORMATION SAFETY SYSTEM FROM BEING A VEHICLE FOR LITIGATION PURPOSES. WE HAVE SEVERAL COAST GUARD/INDUSTRY TEAMS WORKING ON THIS PROJECT TO DEAL WITH THE AREAS OF:

- VOLUNTARY, CONFIDENTIAL REPORTING,
- INCENTIVES AND REPORT PROTECTIONS FOR PARTICIPANTS
- DATABASE AND FORM DESIGN
- DATA ANALYSIS AND REPORTING
- AND SYSTEM DESIGN AND PLANNING

IF ALL GOES AS PLANNED WE ARE LOOKING TO FIELD A SYSTEM IN
EARLY 2000.

LET ME SHIFT FOCUS TO ENVIRONMENTAL PROTECTION. WE
BELIEVE QUALITY SHIPPING IS ALSO ENVIRONMENTALLY
RESPONSIBLE SHIPPING.

ANS

AN ISSUE THAT IS BECOMING HIGHLY VISIBLE IN THE U.S., IS
AQUATIC NUISANCE SPECIES – OR ANS.

AT OUR U.S. NATIONAL MARINE TRANSPORTATION SYSTEM
CONFERENCE LAST FALL, IT WAS DEEMED TO BE THE
PRINCIPLE ENVIRONMENTAL PROBLEM OF THE FUTURE.

WHAT ARE AQUATIC NUISANCE SPECIES? THE ZEBRA MUSSEL IS
PROBABLY THE WIDEST KNOWN EXAMPLE. BUT THERE ARE
MANY OTHERS.

NON INDIGENOUS SPECIES HAVE THE POTENTIAL TO
DRAMATICALLY AFFECT FOOD SUPPLIES, ECONOMY, HEALTH
AND OVERALL BIODIVERSITY.

THE PRACTICAL IMPLICATION OF THE PROBLEM IS IN DEALING WITH SHIP'S BALLAST WATER. THE BASIC NEED IS FOR THE EXCHANGE OF BALLAST WATER AT SEA TO ELIMINATE ANS BEFORE THEY HAVE THE OPPORTUNITY TO IMPACT OUR PORTS AND WATERWAYS.

CURRENTLY, THE ONLY MANDATORY BALLAST WATER EXCHANGE FOR VESSELS CALLING IN THE U.S. IS FOR THE GREAT LAKES AND HUDSON RIVER.

HOWEVER, THERE IS GROWING CONCERN FOR THE REST OF THE US. THE NATIONAL INVASIVE SPECIES ACT OF 1996 TASKS THE COAST GUARD WITH PUBLISHING VOLUNTARY BALLAST WATER MANAGEMENT STANDARDS AND TO ANALYZE VOLUNTARY COMPLIANCE FOR A TWO AND ONE HALF YEAR PERIOD. WE WILL THEN DECIDE IF MANDATORY REQUIREMENTS ARE NECESSARY. THE REGULATIONS IMPLEMENTING THE VOLUNTARY PROGRAM WERE PUBLISHED LAST MONTH IN THE U.S. FEDERAL REGISTER.

BUT, THE ANS PROBLEM IS A GLOBAL DILEMMA REQUIRING INTERNATIONAL COOPERATION. IMO MEPC 43 WHICH MEETS 28 JUNE WILL CONSIDER FURTHER ACTION TOWARD AN INTERNATIONAL INSTRUMENT FOR BALLAST WATER MANAGEMENT.

WE ARE WORKING IN ALL OF THE VENUES THAT I MENTIONED -
INTERNATIONAL, FEDERAL AND PARTNERING WITH INDUSTRY
- AND ARE EXAMINING PROMISING BALLAST WATER
MANAGEMENT ALTERNATIVES TO REPLACE MID-OCEAN
EXCHANGE. INCLUDED IN THESE ARE FILTRATION,
ULTRAVIOLET RADIATION, AND HEAT AND CHEMICAL
TREATMENTS. I AM PLEASED THAT BIMCO HAS STEPPED
FORWARD TO HELP US EXPLORE ALTERNATIVES.

A SECOND AREA OF GROWING ENVIRONMENTAL CONCERN IS
BUNKER OIL POLLUTION, ESPECIALLY FROM CARGO SHIPS AS
THOSE VESSELS GROW IN SIZE AND BUNKER CAPACITY.

TANKER CARGO OIL POLLUTION IN THE U.S. HAS DRAMATICALLY
DECREASED IN THE LAST 10 YEARS AND MOST RECENT LARGER
SPILLS HAVE BEEN FROM CARGO SHIP BUNKERS.

AS THE TRANSITION TO DOUBLE HULL TANKERS CONTINUES TO
DECREASE THE RISK OF CARGO OIL SPILLS, I EXPECT THERE
WILL BE GREATER SCRUTINY OF THE POTENTIAL FOR BUNKER
SPILLS AND ASSOCIATED NEED FOR PREVENTION AND
RESPONSE MEASURES AS WE CONSIDER WHERE FUTURE RISKS
MAY LIE.

HOW DO WE IDENTIFY THE QUALITY SHIPS AS WELL AS FOCUS OUR
WORK ON SUBSTANDARD VESSELS?

“TRANSPARENCY”

THE SHARING OF DATA AND INFORMATION ABOUT SHIP QUALITY - THE SO-CALLED “TRANSPARENCY” OF VESSEL QUALITY - IS VITALLY IMPORTANT TO ENSURE THAT ALL STAKEHOLDERS KNOW WHO THE QUALITY SHIPS, OWNERS & OPERATORS ARE AND TO ENSURE ONLY THOSE “QUALITY” SHIPS ARE CARRYING CARGO.

IN THAT SPIRIT:

U.S. DETENTIONS FOR THE PAST YEAR ARE POSTED ON THE U.S. COAST GUARD’S PSC WEBSITE, www.uscg.mil/hq/g-m/psc.psc.htm

A SECOND SOURCE OF VESSEL DATA IS THE PORT STATE CONTROL INFORMATION EXCHANGE (PSIX) WHICH IS LINKED TO THE PSC WEBSITE AND PROVIDES HISTORICAL INFORMATION ON USCG VESSEL EXAMS FROM OUR MSIS. THE DATA IS AVAILABLE TO ANYONE WHO WANTS TO COMPARE.

WE ARE WORKING WITH THE EUROPEAN UNION ON MUTUAL ACCESS TO THE EQUASIS SYSTEM AS A SINGLE POINT OF ACCESS TO THE MARITIME COMMUNITY FOR ALL RELEVANT INFORMATION CONCERNING THE QUALITY OF SHIPS. WE ARE LOOKING TO PROVIDE EQUASIS WITH PORT STATE CONTROL DETENTION AND INSPECTION DATA AS WELL AS PARTICIPATE IN THE EDITORIAL COMMITTEE RESPONSIBLE FOR THE CONTENT OF THE EQUASIS SYSTEM.

THERE ARE, OF COURSE, OTHER POSSIBILITIES.

Y2K

BEFORE I CONCLUDE, I WOULD LIKE TO BRIEFLY TOUCH ON WHAT THE COAST GUARD IS DOING IN PREPARATION FOR WHAT HAS BECOME KNOWN AS THE Y2K BUG.

WHAT CAN YOU EXPECT FROM THE COAST GUARD AS Y2K APPROACHES? FIRST, WE HAVE DECIDED, AS A MATTER OF POLICY, TO STRESS EDUCATION AND AWARENESS OF THE MARITIME INDUSTRY, SYSTEM ASSESSMENT AND CONTINGENCY PLANNING.

IN DECEMBER OF LAST YEAR, WE PUBLISHED A REQUEST FOR COMMENTS IN THE FEDERAL REGISTER ON A Y2K ENFORCEMENT POLICY DIRECTED TOWARD THE MARITIME INDUSTRY AND OTHERS CONCERNED WITH SAFETY AND THE ENVIRONMENT.

THE INFORMATION GATHERED WAS PASSED TO THE CHIEF INFORMATION OFFICER OF THE COAST GUARD, WHO HEADED A U.S. DELEGATION IN LONDON DURING THE FIRST WEEK OF MARCH TO DISCUSS Y2K IMPLICATIONS FOR INTERNATIONAL SHIPPING. THE GROUP PRODUCED A Y2K GUIDELINE AND SURVEY FORMS THAT CAN BE USED INDUSTRY-WIDE TO SURVEY SHIPS AND FACILITIES TO GATHER STANDARDIZED Y2K PREPAREDNESS INFORMATION. THE GUIDELINE HAS BEEN PUBLISHED AS AN IMO CIRCULAR.

WE ARE DRAFTING TEMPORARY REGULATIONS THAT REQUIRE SHIPS AND DESIGNATED WATERFRONT FACILITIES TO PROVIDE THE Y2K INFORMATION OUTLINED IN THE IMO CIRCULAR. WE ANTICIPATE PUBLISHING AN INTERIM FINAL RULE SOON.

WE HAVE DEVELOPED A RISK ASSESSMENT QUESTIONNAIRE/MODEL THAT WILL GUIDE COAST GUARD CAPTAIN OF THE PORTS IN THE ASSIGNMENT OF RISK LEVEL FROM Y2K.

WE WILL PUBLISH THIS INFORMATION IN THE FEDERAL REGISTER AND A NAVIGATION & INSPECTION CIRCULAR THIS SUMMER TO ALLOW TIME FOR SHIP AND FACILITY OWNERS TO ASSESS THEIR OWN RISK ABATEMENT MEASURES AND INSTITUTE CORRECTIVE ACTIONS. THIS RISK MODEL WILL GIVE THE CONSISTENCY NEEDED WHILE RETAINING THE FLEXIBILITY TO ADAPT TO INDIVIDUAL PORTS, VESSELS, AND FACILITIES.

WE HAVE CONTRACTED WITH AN INTERNET SERVICE PROVIDER TO PROVIDE QUICK AND EASY ACCESS TO THE MARITIME INDUSTRY TO PROVIDE ONE STOP SHOPPING FOR FILING THEIR Y2K STATUS REPORTS REQUIRED BY THE INTERIM FINAL RULE. THE INTERNET SERVICE PROVIDER WILL ALSO BE THE SINGLE POINT FOR FAX AND EMAIL SUBMISSIONS SO THEY CAN BE LOADED BY THE PROVIDER'S PERSONNEL ONTO THE DATABASE.

OUR COTPS WILL ALSO BE TAKING LOCAL ACTION *AS NECESSARY* TO ASSESS - ON AN INDIVIDUAL VESSEL BY VESSEL BASIS -THE STATUS OF THEIR SYSTEMS' COMPLIANCE WITH Y2K **AND** WHAT CONTINGENCY PLANS HAVE BEEN PUT INTO PLACE TO MITIGATE Y2K PROBLEMS THAT WILL MOST LIKELY OCCUR. BEFORE A VESSEL WILL BE ALLOWED TO OPERATE, VESSEL OWNERS AND OPERATORS WILL NEED TO SUBMIT TO OUR COTPS/OCMIS INFORMATION ON:

- WHAT ACTIONS EACH VESSEL OR FACILITY OPERATOR HAS TAKEN TO DETERMINE Y2K PROBLEMS,
- WHAT ACTIONS HAVE BEEN TAKEN TO MITIGATE IDENTIFIED PROBLEMS, AND
- WHAT CONTINGENCIES ARE IN PLACE BY THE OPERATOR TO ADDRESS THOSE AREAS WHERE Y2K COMPLIANCE CANNOT BE ASCERTAINED.

WE MAY USE OUR EXISTING AUTHORITIES AND ISSUE – ON A LOCAL BASIS - COTP ORDERS RESTRICTING VESSEL MOVEMENTS TO ADDRESS ANY EXISTING HAZARDOUS CONDITIONS, INCLUDING LACK OF A CONTINGENCY PLAN.

CONCLUSION

IN CONCLUDING MY REMARKS, I JUST WANT TO SUM UP THAT WE IN THE U.S. SEE IMPROVEMENTS AND MUCH PROGRESS IN OUR MUTUAL EFFORTS TOWARD OUR GOAL OF QUALITY SHIPPING. THE FUTURE CONTINUES TO CHALLENGE US GREATLY. WE BELIEVE THAT FULL COMPLIANCE WITH EXISTING INTERNATIONAL INSTRUMENTS COUPLED WITH DATA SHARING FOR “TRANSPARENCY” RECOGNITION BY ALL PARTIES OF THE VALUE OF QUALITY SHIPPING, AND PARTNERING FOR QUALITY ARE OUR BEST INVESTMENTS IN THE FUTURE TO ULTIMATELY ENSURE THAT QUALITY SHIPPING IS A REALITY AS PREVALENT IN THE FUTURE AS THE DISCUSSIONS ABOUT IT ARE TODAY.

I WILL REITERATE SOMETHING I'VE OFTEN HEARD OUR U.S.
SECRETARY OF TRANSPORTATION RODNEY SLATER SAY, "WE
HAVE WORKED WELL TOGETHER TO DATE AND
ACCOMPLISHED MUCH – BUT, THE BEST IS YET TO COME."

I LOOK FORWARD TO WORKING TOGETHER AS WE MOVE INTO THE
FUTURE.

THANK YOU.